



City of Boston

Thomas M. Menino, Mayor

Operating Budget Fiscal Year 2007

Capital Plan Fiscal Years 2007-2011

## Volume I - Overview of the Budget



# **Thomas M. Menino, Mayor**

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Boston  
Massachusetts**

For the Fiscal Year Beginning

**July 1, 2005**

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the City of Boston for its annual budget for the fiscal year beginning July 1, 2005.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



# Table of Contents

## Volume I Overview of the Budget

Letter of Transmittal: Thomas M. Menino, Mayor

Executive Summary	1
Summary Budget	7
City Council Orders	35
Revenue Estimates and Analysis	93
Innovations in Education	107
Budget and Performance Goals	117
Financial Management of the City	123
Capital Planning	131
Statutes and Ordinances Governing Boston's Operating and Capital Budgets	145
Boston's People and Economy	155
Budget Organization and Glossary of Terms	163







CITY OF BOSTON • MASSACHUSETTS

OFFICE OF THE MAYOR  
**THOMAS M. MENINO**

April 11, 2006

TO THE CITY COUNCIL

Dear Councilors:

I transmit herewith my Fiscal Year 2007 Recommended Budget for the City of Boston. The Recommended Operating Budget totaling \$2.14 billion is \$87.9 million, or 4.3% more than the Fiscal Year 2006 Budget.

Nearly two thirds of the spending growth is due to health benefits, energy costs and the annualized impact of collective bargaining increases included in the current labor contracts. The annual spending growth needed to meet the City's commitments continues to exceed our rate of revenue growth. The City's FY07 budget assumes a cautious allocation of reserves to support ongoing expenses. These additional resources are necessary to mitigate the effects of marginal growth in state aid and rising fixed costs.

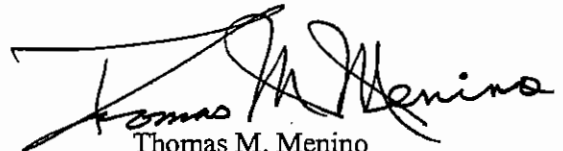
While property tax and other local revenues continue to grow, the City's allocation of aid from the Commonwealth increases only marginally despite additional revenue resulting from uncapping Lottery Aid. For FY07 net state aid remains \$75.6 million less than it was five years ago in FY02. The City continues to face the challenge of our over-reliance on property taxes to fund services. Restricted by a state-imposed structure, the City must continue to build awareness of the negative consequences of this structure not only for the City of Boston but also for the entire Commonwealth.

The budget before you provides resources aligned around several overarching goals, including the reduction of violent crime, closing the achievement gap, narrowing health disparities and increasing the housing supply. The City is moving forward with a bold agenda that will concentrate on delivering innovative and effective solutions to our most critical challenges while focusing on cross-departmental collaboration and shared accountability to deliver meaningful results and high quality services to Boston's residents, businesses and visitors.

Building a strong foundation for Boston's future means educating all of our children to compete for the jobs of tomorrow, supporting an economy that will continue to grow and provide those jobs, embracing and leveraging the changing face of our community, and providing the basic services that contribute to the quality of life in our neighborhoods. Accomplishing these goals in today's constrained fiscal environment is not easy, and it requires that we in city government work more efficiently with each other and with our partners in the public and private sectors to ensure our City's success.

I look forward to working with you during the budget review process and I respectfully request your favorable action on the FY07 Operating Budget and the Five Year Capital Plan for FY07 to FY11.

Sincerely,

A handwritten signature in dark ink, appearing to read "Thomas M. Menino", with a stylized flourish extending from the end of the name.

Thomas M. Menino  
Mayor of Boston